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STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

August 30, 2004

Mr. Fred Galdones
President
International Longshore &
Warehouse Union, Local 142
451 Atkinson Drive
Honolulu, Hawaii 96814

Dear Mr. Galdones:

Re: Docket No. 04-0140 -- Paradise MergerSub, Inc.; GTE Corporation; Verizon Hawaii Inc.; Bell Atlantic Communications, Inc.; and Verizon Select Services Inc. for Approval of a Merger Transaction and Related Matters.

This is in response to your letter dated August 5, 2004, setting forth your views and concerns with regards to the above-referenced Public Utilities Commission ("Commission") docket ("Letter"). Primarily, you requested that the Commission conduct public hearings on the matters of this docket.¹

While the Commission has normally not held public hearings regarding these types of dockets, on August 6, 2004, the Commission in Order No. 21226 established a Public Comment Period to give all interested individuals an opportunity to voice their comments and concerns with regards to this docket.

¹Paradise MergerSub, Inc.; GTE Corporation; Verizon Hawaii Inc. ("Verizon Hawaii"); Bell Atlantic Communications, Inc.; and Verizon Select Services Inc. (collectively referred to as "Applicants") jointly filed for Commission approval of the proposed transfer of control of Verizon Hawaii and certain other assets and the financing obligations associated with the transfer under specific state laws and Commission rules. These statutes and Commission rules do not require or contemplate that a public hearing be held with regards to these types of matters—i.e., transactional dockets.

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Moreover, on August 16, 2004, the Commission in Order No. 21304 informed the parties and participants² to this docket that the Commission will hold public hearings regarding the matters of this proceeding. In this order, the Commission determined that public hearings should also be used as a method to obtain public comments due to the great public interest generated on this matter. Public hearing dates, times, and location will be established by notice of public hearings to be issued shortly.³

By copy of this letter, we are forwarding your Letter to the Applicants and all other parties and participants to this docket for their records. Thus, your views and concerns will be made aware to the parties and participants to this proceeding.

Sincerely,



Ji Sook (Lisa) Kim
Commission Counsel

JSK:eh

c: Consumer Advocate (w/encl.)
William E. Kennard (w/encl.)
Joel K. Matsunaga (w/encl.)
Alan M. Oshima, Esq., (w/encl.)
Michael H. Lau, Esq.
Kent D. Morihara, Esq.
Leslie Alan Ueoka, Esq. (w/encl.)
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Stephen S. Melnikoff, Esq. (w/encl.)
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Stanford H. Masui, Esq.,
Danny J. Vasconcellos, Esq.
Rebecca L. Covert, Esq.
J. Douglas Ing, Esq. (w/encl.)
Pamela J. Larson, Esq.
Laura A. Mayhook, Esq. (w/encl.)
J. Jeffrey Mayhook, Esq.

²The parties and participants to this proceeding are Applicants; the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("Consumer Advocate"); the United States Department of Defense and All Other Federal Executive Agencies; Pacific LightNet, Inc.; Time Warner Telecom of Hawaii, L.P., dba Oceanic Communications; Jeremiah C. Genovia; Charles K. Hekeia Jr.; and the International Brotherhood of Electrical Workers, Local 1357.

³Order Nos. 21226 and 21304 can be viewed on the Commission's website at <http://www.state.hi.us/budget/puc/puc.htm> along with other matters of this docket.



INTERNATIONAL LONGSHORE & WAREHOUSE UNION

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MAUI COUNTY DIVISION: 896 Lower Main Street, Wailuku, Hawaii 96793 • KAUAI DIVISION: 4154 Hardy Street, Lihue, Hawaii 96766

LOCAL 142

August 5, 2004

Mr. Carlito Caliboso, Chairperson
Public Utilities Commission
465 S. King Street, #103
Honolulu, Hawaii 96813

PUBLIC UTILITIES
COMMISSION

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RE: Verizon Hawaii

Dear Mr. Caliboso:

The ILWU Local 142 has been in existence more than 50 years. Our members statewide number 22,000 and work in various industries, including tourism, longshore, sugar, pineapple, and general trades with companies such as Foodland, Pepsi, Love's Bakery, and Island Movers.

Our members live and work on all islands and rely on telephone service to stay in communication with family and friends. The proposed sale of Verizon Hawaii will hopefully involve a smooth transition that will not interrupt telephone service or result in a spike in prices.

But our members are also concerned about our union brothers and sisters from IBEW 1357 who work for Verizon Hawaii and now face the prospect of a new owner. Many ILWU members know very well what the sale of company can mean to their jobs. Our members in the hotel industry have suffered through sales that have seen everyone laid off and required to apply for their jobs. Some were lucky to be hired; others were not.

Through our experience with companies like the Carlyle Group, which plans to buy Verizon Hawaii, we know their goal is to make a profit--and we have no problem with that. If companies profit, their employees should benefit as well. However, we *do* have a problem if companies attempt to make a profit off the backs of the very workers who make it *possible* for them to profit. Companies like the Carlyle Group have an obligation to run their business soundly, but they also have an obligation to the community to ensure that workers are not unnecessarily displaced and their wages and benefits are not cut in order for the company to maximize their profits.

We understand the Carlyle Group has made assurances that they are committed to their employees and to the people of Hawaii. The Public Utilities Commission is in a unique position to be able to hold the Carlyle Group accountable. We hope that a public hearing will be held to allow the Carlyle Group a chance to make public their commitment as well as allow the community the opportunity to provide input on the matter.

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Re: Verizon Hawaii

Thank you very much for considering our views and concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred Galdones".

Fred Galdones
President

/csp
cc: Hawaii State AFL-CIO
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